

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 10, 2017

TO: Honorable Dennis Bonnen, Chair, House Committee on Ways & Means

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2756 by Cook (Relating to certain procedures for tax redeterminations and refund claims.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend Chapter 111 of the Tax Code, regarding tax collection procedures. Section 111.009, regarding redetermination, would be amended to extend the deadline for a taxpayer to file a petition for redetermination of a tax deficiency determination made by the Comptroller from the current 30 days to 60 days. An order or decision by the Comptroller on such a petition would become final at the time a decision or order in a contested case is final under Chapter 2001 of the Government Code (the Administrative Procedure Act); under current law an order or decision becomes final 20 days after service on the petitioner.

Section 111.105, regarding tax refund hearings, would be amended to extend the deadline for a taxpayer to request a hearing following the Comptroller's denial of a refund claim from the current 30 days to 60 days. A decision, and an order as added by the bill, of the Comptroller following a hearing becomes final at the time a decision or order in a contested case is final under Chapter 2001 of the Government Code; under current law an order or decision becomes final 20 days after service on the petitioner. The provision in current law allowing a tax refund claimant dissatisfied with the Comptroller's claim decision to file a motion for rehearing would be amended to apply the time provisions for filing a motion for rehearing in a contested case under Chapter 2001 of the Government Code.

The bill provides for additional time for petitioning for redetermination of a tax deficiency, for filing a motion for rehearing on a redetermination decision, and for requesting a hearing after denial of a refund request, but does not alter the substantive basis for determination of any tax liability. Consequently there would be no permanent implications for revenue collections. There could be effects for cash flow related to both payments of refunds and collections of deficiencies, but the net effects would be expected to be negligible.

The bill would take effect September 1, 2017.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts
LBB Staff: UP, KK, SD